

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 SS-15 NSC-10 CIAE-00 DODE-00 INR-10

NSAE-00 PA-03 RSC-01 USIA-15 PRS-01 L-03 OMB-01 IO-13

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FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 4948

INFO USDEL JEC PARIS

UNCLAS SAIGON 13208

E.O. 11652: N/A

TAGS: MARR VS

SUB: ICCS BUDGET SUBMISSION

REF: SAIGON 13202

1. FOLLOWING ARE EMBASSY REPLIES TO LIST OF EA/VN AND OMB QUESTIONS BROUGHT VIA KINSOLVING. REPLIES REFLECT EMBOFF PENNER'S PERSONAL MEMORY, DISCUSSION WITH HOLDAK (ICCS POLDEL), VIEWS OF USDAO PERSONNEL, AND FINDINGS DURING SPECIAL FIELD TRIP REPORTED REFTEL.

2. EA QUESTIONS:

Q. 1 HOW MUCH IS PA&E BILL?

A. 1 PA&E ACCOUNTABLE RECORDS FOR ALL DOD OUT-OF-POCKET EXPENDITURES FOR SUPPORT OF ICCS FROM X PLUS 1 TO X PLUS 45 TOTAL \$724,183, WHICH DOES NOT INCLUDE ANY CHARGES FOR EQUIPMENT LOANED (THERE WILL BE NO CHARGE FOR EQUIPMENT LOANED DURING THIS PERIOD). THIS AMOUNT SUBJECT TO FURTHER RECONCILIATIONS.

3. Q. 2 DOES NAVY BILL FOR \$1.5 MILLION COVER ALL SERVICES FOR ICCS PLUS FOUR PARTY JOINT MILITARY COMMISSION?

A. 2 NO. NAVY BILL ONLY ADDRESSES DIRECT DOD CONTRACTUAL SUPPORT FOR BOTH ICCS AND FPJMC. WHILE CONSIDERABLE UNCERTAINTY EXISTS, WE BELIEVE \$1.5 MILLION FIGURE REFERS TO FUNDS REQUESTED UNCLASSIFIED

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AND RECEIVED BY MACV, FROM WHICH FUNDS WERE OBLIGATED FOR COMBINED CONTRACTUAL SUPPORT BOTH OF ICCS FROM X PLUS 1 TO X PLUS 45 AND OF FPJMC FROM X PLUS 1 TO X PLUS 90. OF THIS AMOUNT, APPROXIMATELY \$450,000 WAS INCURRED BY VARIOUS CONTRACTORS

IN SUPPORT OF ICCS, AND USG IS LIABLE FOR IT. SEPARATE FROM THE FOREGOING SUM, MACV PROVIDED DIRECT MATERIEL SUPPORT/AIR SERVICES FOR ICCS IN AMOUNT OF APPROXIMATELY \$260,000. NOTE THAT MACV OPERATIONS WERE NAVY FUNDED BY DOD.

4. Q. 3 HOW HIGH IS PA&E BILL FOR PURELY PA&E (NOT USG) SERVICES AND COMMODITIES?

A. 3 PA&E BILL FOR PURELY PA&E CONTRACTUAL SERVICES IN SUPPORT OF ICCS FOR PERIOD X PLUS 1 TO X PLUS 45 IS \$396,562. (THIS IS PART OF AMOUNT ESTIMATED AT \$450,000 REPORTED IN ANSWER TO QUESTION 2. OTHER PART OF THIS AMOUNT IS FOR OTHER CONTRACTORS).

5. Q. 4 WHO DECIDED MEMBERS GET \$13 PER DAY FOR FOOD? DOES THEIR FOOD REALLY COME OUT OF THIS?

A. 4 THIS IS PER DIEM RATE WHICH WAS SET BY UNANIMOUS DECISION OF ALL CHIP DELS. OUT OF THIS PER DIEM EACH ICCS CHIP DEL MEMBER PAYS DAILY COSTS OF FOOD AS DISTINGUISHED FROM MESSING PORTION OF BUDGET WHICH PAYS FOR MESSING FACILITIES BUT NOT RPT NOT FOOD.

6. Q. 5 WHAT IS MEANT BY OFFICIAL TRAVEL?

A. 5 THIS REFERS TO ALL OUT-OF-COUNTRY OFFICIAL DUTY TRAVEL. EXCEPT FOR VERY MINOR PORTION, ALL OF THIS IS DEVOTED TO ROTATION OF CHIP PERSONNEL, PLUS ONE-TIME CONSULTATION OF AMBASSADOR AND SENIOR MILITARY ADVISER. DURING PERIOD UP TO MARCH 31, 1974, THERE ARE ANTICIPATED TO BE TOTAL OF FIVE SUCH TRIPS FOR EACH BETWEEN HOME CAPITAL AND SAIGON. OTHER MINOR PORTION THIS LINE ITEM IS FOR COURIER RUNS AND CERTAIN ADMINISTRATIVE TRAVEL.

Q. 5 WHO SET THE SIX-MONTH ROTATION PLAN?

A. 5 WHILE THERE IS NO STATED POLICY TO OUR KNOWLEDGE, EACH DEL ASSUMED FROM THE START THAT THIS WOULD BE NORMAL TOUR FOR MILITARY PERSONNEL, CONSISTENT WITH OTHER INTERNATIONAL PEACE-KEEPING OPERATIONS.

Q. 5 HAVE \$7 MILLION IN TRAVEL FUNDS BEEN EXAMINED?

A. 5 FROM OUR CONVERSATIONS WITH ICCS, IT IS APPARENT THAT CHIP DELS THEMSELVES RECOGNIZE THAT THIS FIGURE IS HIGH, BUT THEY UNCLASSIFIED

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BELIEVE IT IS FULLY WARRANTED UNDER PRESENT ARRANGEMENTS REQUIRING COMMERCIAL TRAVEL.

7. Q. 6 CAN AIR TRANSPORTATION FIGURE BE JUSTIFIED?

A. 6 THIS REPRESENTS CONTRACTUAL ARRANGEMENTS WITH AIR AMERICA FOR IN-COUNTRY TRAVEL BETWEEN SEVEN REGIONAL SITES, 26 SUB-REGIONAL SITES, AND ADDITIONAL POINTS OF ENTRY AND CONTROL. GIVEN CURRENT STATE OF HOSTILITIES AND DANGER FROM UNDETECTED MINES AND OTHER IMPEDIMENTS IN ROADS, TEAMS REMAIN DEPENDENT ON AIR TRAVEL FOR FORESEEABLE FUTURE. IN INVESTIGATION PROCESS, HELICOPTERS ARE OFTEN ONLY SECURE MODE OF TRANSPORTATION. HOWEVER, GIVEN EXPERIENCES OF FIRST FOUR MONTHS OF OPERATION, IT IS LIKELY THAT SOME REDUCTIONS IN IN-COUNTRY AIR TRANSPORTATION

COSTS CAN BE EFFECTED, PARTICULARLY BY SUBSTITUTING ROAD TRANSPORTATION OR CHEAPER LIGHT FIXED-WING AIRCRAFT AND BY REDUCING NUMBER OF HELICOPTERS MAINTAINED IN ICCS FLEET THROUGH MORE EFFICIENT UTILIZATION PROCEDURES. THIS WOULD NECESSITATE AMENDMENT OF PRESENT AIR AMERICA CONTRACT AND OUTSIDE SUB-LEASING ARRANGEMENT OF ICCS HELICOPTERS TO SOME OTHER ORGANIZATION OPERATING LOCALLY.

Q. 6 IS THE ICCS GETTING FULL VALUE ON AIR TRANSPORTATION?

A. 6 ICCS IS FULLY SATISFIED AND WE BELIEVE THERE NO DOUBT AIR AMERICA IS MOT COMPETENT AIR ORGANIZATION IN AREA, FAR SUPERIOR TO ANY ALTERNATIVE.

8. Q. 7 CAN WE GET ASSURANCE FROM ICCS SECRETARIAT IT WILL PRESS COMMUNISTS FOR THEIR CONTRIBUTIONS?

A. 7 ICCS INTENDS FOLLOW UP EARLIER WRITTEN AND ORAL APPEALS FOR CONTRIBUTIONS, BUT BELIEVES RESPONSIBILITY FOR PRESSING FOR PROMPT FORMAL APPROVAL OF BUDGET AND FULL CONTRIBUCTIONS LIES WITH PARTIES RATHER THAN ICCS.

Q. 7 WHAT REASONS HAVE DRV AND PRG GIVEN FOR FAILURE TO PAY FULL AMOUNT SO FAR REQUESTED BY ICCS?

A. 7 LEGALLY DRV AND PRG MAY CONTEND THEY ARE NOT FOUND TO MAKE NAY CONTRIBUTIONS PAST FIRST INSTALLMENT UNTIL BUDGET HAS BEEN FORMALLY APPROVED BY ALL FOR PARTIES. ECONOMICALLY PRV AND PRG MAY CONTEND THEY HAVE INSUFFICIENT FOREIGN EXCHANGE TO PAY ASSESSMENT.

9. Q. 8 WHAT HAS GVN TURNED OVER?

A. 8 CONSIDERABLE AMOUNT OF TACTICAL EQUIPMENT, INCLUDING UNCLASSIFIED

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JEEPS, TRUCKS, AMBULANCES, AND COMMUNICATIONS MATERIEL AND WITH-OUT WHICH ICCS COULD NOT OPERATE.

Q. 8 HAS GVN CHARGED FOR THIS?

A. 8 NO RPT NO BUT WE ANTICIPATE EVENTUAL REQUEST FOR REIMBURSEMENT IN KIND FROM MASF.

Q. 8 IS GVN RENTING TO ICCS ANY BUILDINGS WHICH WE TURNED OVER TO GVN?

A. 8 NOT TO OUR KNOWLEDGE.

Q. 8 ANY EXAMPLES OF EXORBITNANT RENT?

A. 8 IN SEVERAL LOCATIONS, ICCS REMAINS HOUSED IN PRIVATE HOTELS PAYING LOCAL HOTELIERS HIGH RENTS. AS OTHER FACILITIES ARE UP-GRADED, WE ANTICIPATE THAT OUTSIDE OF SAIGON , ICCS WILL NO LONGER BE HOUSED IN ANY HOTELS.

10. Q. 9 DOES IT APPEAR NOW THAT MOST OF SETTING-UP COSTS HAVE BEEN INCURRED OR WILL THERE BE MORE?

A. 9 EXCEPT FOR UPGRADING OF SMALL NUMBER OF HOUSING FACILITIES AND REPLACEMENT OF SOME CAPITAL ITEMS SUCH AS VEHICLES, PRINCIPLE SETTING-UP COSTS HAVE BEEN INCURRED EXCEPT FOR POSSIBLE SITES IN PRG-CONTROLLED TERRITORY.

11. Q 10 IS ICCS CARING WELL FOR ITS EQUIPMENT?

A 10 YES

Q 10 IS THERE EVIDENCE OF CARELESS TREATMENT OF IT?

A.10 NO RPT NO

12. Q 11 WHY IS THERE MESSING FUND WHEN EACH MAN GETS \$13 PER DAY FOR " SUPPLEMENTAL" FOOD PAYMENT?

A. 11 SUPPLEMENT FOOD PAYMENT IS IN FACT THE ONLY PER DIEM OUT OF WHICH ICCS PERSONNEL PAY FOR THEIR FOOD, MESSING FUND PROVIDES FOR SETTING UP MANAGEMENT, OPERATION, AND EQUIPMENT OF FACILITIES.

13. Q 12 ARE HUNGARIANS AND POLES GOING TO ROTATE AFTER SIX MONTHS?

A. 12 WITH EXCEPTION OF SMALL NUMBER OF CIVILIAN PERSONNEL, HUNGDEL/POLDEL ARE SCHEDULED TO BEGIN ROTATING THEIR ENTIRE CONTINGENTS IN AUGGST.

14. Q 13 DOES ICCS SECRETARIAT EXPECT FORMAL APPROVAL OF BUDGET BY FOUR PARTIES TO AGREEMENT BEFORE BUDGET BECOMES UNCLASSIFIED

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FINAL?

A. 13 YES.

15. Q.14 ARE THERE ITEMS IN ICCS BUDGET THAT REPRESENT MATERIALS AND SERVICES PROVIDED BY USG?

A.14 NO

16. OMB QUESTIONS

A. 1 WHAT PAYMENTS BY OTHER PARTIES ACTUALLY HAVE BEEN MADE?

A. 1 FOUR PARTIES MADE INITIAL CONTRIBUTION OF 4.5 MILLION FRANCES IN ACCORDANCE WITH ARTICLE 14(C) OF THE PROTOCOL. IN RESPONSE TO REQUEST FOR SECOND INTERIM FUNDING SUPPORT CONTRIBUTION, USG AND GVN EACH CONTRIBUTED ANOTHER 4.5 MILLION FRANCS WHILE DRV AND PRG EACH CONTRIBUTED ONLY 1.5 MILLION FRANCS.

Q. 1 HOW CAN US BE SURE OUR PAYMENTS WILL BE APPROPRIATELY MATCHED?

A. 1 ONLY BY INDUCING OTHERS TO PAY.

Q. 1 WHY SHOULD US PAYMENTS BE MADE ON NON- MATCHING BASIS?

A. 1 IN ORDER MAINTAIN PEACEKEEPING MACHINERY ESSENTIAL TO US INTERESTS.

17. Q. 2 WHAT ARRANGEMENTS ARE MADE FOR REVIEW AND APPROVAL OF BUDGET?

A. 2 NO FORMAL ARRANGEMENTS HAVE BEEN PROVIDED FOR, BUT USG IS CURRENTLY WORKING OUT SUCH ARRANGEMENTS.

18. Q. 3 WHAT WOULD BE IMPACT ON ICCS BUDGET IF REPLACEMENT FOR CANADA CANNOT BE FOUND?

A. 3 BUDGET COULD BE REDUCED, BUT NOT BY PROPORTIONATE 25 PERCENT BECAUSE OF EXISTING OVERHEAD.

19. Q.4 WHY CANNOT DOD SERVICES BE USED FOR ICCS WITH
REIMBURSEMENT LATER?

A. 4 EMBASSY BELIEVES SOME SUCH ASSISTANCE COULD BE PROVIDED
BY DOD.

20. Q. 5 SUPPLEMENTARY FOOD PAYMENTS A5 SEE EA QUESTION 4 ABOVE.

UNCLASSIFIED

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